



## **Iowa Medicaid Federally Qualified Health Centers (FQHC) and Rural Health Clinics (RHC) Wraparound Payment Example Scenarios**

### **Example Scenarios:**

#### **a. Scenario 1**

- i. The FQHC/RHC is contracted with the Medicaid Managed Care Organization (MCO) at the encounter Prospective Payment System (PPS) rate (T1015) = \$200
- ii. The FQHC/RHC sees a member who has commercial primary coverage for an office visit and other services.
- iii. The FQHC/RHC bills the primary carrier \$150 in total for each of the services performed.
- iv. The Primary carrier has contracted rates to pay \$100 for the services performed. The member has no copay/coinsurance/deductible, therefore, the net payment to the FQHC/RHC is \$100.
- v. FQHC/RHC bills the Medicaid MCO using the encounter code (T1015) for \$200 and includes the codes for services performed at \$0 for shadow billing. FQHC/RHC also includes the Explanation of Benefits (EOB) showing \$100 was received from the commercial carrier
- vi. Medicaid MCO payment would be \$100
- vii. Wraparound payment report would include:
  1. \$100 Primary carrier payment in 'Amount Paid By Other Source' column
  2. \$100 MCO Medicaid payment in 'Amount Paid By MCO' column

#### **b. Scenario 2**

- i. The FQHC/RHC is contracted with the Medicaid MCO at the encounter PPS rate (T1015) = \$200
- ii. The FQHC/RHC sees a member who has commercial primary coverage for an office visit and other services.
- iii. The FQHC/RHC bills the primary carrier \$150 in total for each of the services performed.
- iv. The Primary carrier has contracted rates to pay \$100 for the services performed. The member has a \$25 copayment, therefore, the net payment to the FQHC/RHC is \$75.
- v. FQHC/RHC bills the MCO using the encounter code (T1015) for \$200 and includes the codes for services performed at \$0 for shadow billing. FQHC/RHC also includes the EOB showing \$75 was received from the commercial carrier and a member copayment of \$25.
- vi. Medicaid MCO payment would be \$125.
- vii. Wraparound payment report would include:
  1. \$75 Primary carrier payment in 'Amount Paid By Other Source' column

2. \$125 Medicaid MCO payment in 'Amount Paid By MCO' column

**c. Scenario 3**

- i. The FQHC/RHC is contracted with the Medicaid MCO at the encounter PPS rate (T1015) = \$200
- ii. The FQHC/RHC sees a member who has commercial primary coverage for an office visit and other services.
- iii. The FQHC/RHC bills the primary carrier \$150 in total for each of the services performed.
- iv. The primary carrier has contracted rates to pay \$100 for the services performed. The member has a \$25 copayment and a \$100 deductible, therefore, the net payment to the FQHC/RHC is \$0.
- v. FQHC/RHC bills the MCO using the encounter code (T1015) for \$200 and includes the codes for services performed at \$0 for shadow billing. FQHC/RHC also includes the EOB showing \$0 was received from the commercial carrier and the member copayment of \$25 and deductible of \$75 was applied.
- vi. Medicaid MCO payment would be \$200.
- vii. Wraparound payment report would include:
  1. \$200 MCO Medicaid payment in 'Amount Paid By MCO' column

**d. Scenario 4**

- i. The FQHC/RHC is contracted with Medicaid MCO at the encounter PPS rate (T1015) = \$200
- ii. The FQHC/RHC sees a member who has commercial primary coverage for an office visit and other services.
- iii. The FQHC/RHC bills the primary carrier \$300 in total for each of the services performed.
- iv. The primary carrier has contracted rates to pay \$250 for the services performed. The member has a \$25 copayment, therefore, the net payment to the FQHC/RHC is \$225.
- v. FQHC/RHC bills the MCO using the encounter code (T1015) for \$200 and includes the codes for services performed at \$0 for shadow billing. FQHC/RHC also includes the EOB showing \$225 was received from the commercial carrier and the member copayment of \$25.
- vi. Medicaid MCO payment would be \$0
- vii. Wraparound payment report would include:
  1. \$225 Primary carrier payment in 'Amount Paid By Other Source' column

**e. Scenario 5**

- i. The FQHC/RHC is contracted with the Medicaid MCO at the encounter PPS rate (T1015) = \$200
- ii. The FQHC/RHC sees a member who is dual eligible for Medicare Part B coverage and Medicaid for an office visit and other services.

- iii. The FQHC/RHC bills Medicare Part B \$150 for the encounter code (T1015). The Medicare Part B PPS rate is \$100. The member has a \$20 Medicare Part B coinsurance, therefore, the net Medicare Part B payment to the FQHC/RHC is \$80.
- iv. Medicaid MCO receives this claim as a Medicare Part B crossover claim from the Medicare Part B fiscal intermediary.
- v. Medicaid MCO payment would be \$20 for the dual-eligible member's Medicare Part B coinsurance amount.
- vi. Claim would be excluded from the wraparound report.